

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST	ACCRUAL BASIS
CASE NUMBER: 08-35653	
JUDGE: KEVIN R. HUENNEKENS	

EASTERN DISTRICT OF VIRGINIA

RICHMOND DIVISION

QUARTERLY OPERATING REPORT

QUARTER: OCTOBER 1, 2018 TO DECEMBER 31, 2018

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I
DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING
MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND
THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE
DOCUMENTS ARE TRUE, CORRECT AND COMPLETE. DECLARATION OF THE PREPARER
(OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH
PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

/s/ CATHERINE W. BRADSHAW
ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

SENIOR TRUST OFFICER
TITLE

CATHERINE W. BRADSHAW
PRINTED NAME OF RESPONSIBLE PARTY

FEBRUARY 27, 2019
DATE

PREPARER:

/s/ CATHERINE W. BRADSHAW
ORIGINAL SIGNATURE OF PREPARER

SENIOR TRUST OFFICER
TITLE

CATHERINE W. BRADSHAW
PRINTED NAME OF PREPARER

FEBRUARY 27, 2019
DATE

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST	ACCRUAL BASIS-1
CASE NUMBER: 08-35653	

BALANCE SHEET

UNAUDITED

(amounts in thousands)

	12/31/2018
ASSETS	
ASSETS	
Cash and cash equivalents	14,256
Receivables, net	4,643
TOTAL ASSETS	18,899
LIABILITIES	
LIABILITIES	
Claims	585,948
Accrued trust expenses	260
TOTAL LIABILITIES	586,208
Liabilities in excess of assets	(567,309)
TOTAL LIABILITIES LESS LIABILITIES IN EXCESS OF ASSETS	18,899

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST	ACCRUAL BASIS-2
CASE NUMBER: 08-35653	

INCOME STATEMENT

UNAUDITED

(Amounts in thousands)

	10/1/2018 - 12/31/2018
Operating expenses	(2,951)
Interest income	19
Net adjustments from settlements and Court orders	-
Income before income taxes	(2,932)
Income tax expense	-
Net income	(2,932)

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST	ACCRUAL BASIS-2
CASE NUMBER: 08-35653	

INCOME STATEMENT

UNAUDITED

(Amounts in thousands)

11/1/2010 - 12/31/2018

Operating expenses	(202,224)
Interest income	8,701
Gain from liquidation of subsidiary	37,850
Net adjustments from settlements and Court orders	978,932
Income before income taxes	823,259
Income tax benefit	205
Net income	823,464

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST	ACCRUAL BASIS-3
CASE NUMBER: 08-35653	

CASH RECEIPTS AND DISBURSEMENTS

(amounts in thousands)

	<u>10/1/2018 -12/31/2018</u>
Cash flows from operations:	
Cash receipts	1,889
Cash payments for professional fees	(1,583)
Cash payments for claims	13
Other operating cash payments	(1,508)
Net cash used in operating activities	<u>\$ (1,189)</u>
Decrease in cash and cash equivalents	<u>\$ (1,189)</u>
Cash and cash equivalents at beginning of period	<u>15,445</u>
Cash and cash equivalents at end of period	<u><u>\$ 14,256</u></u>

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST	ACCRUAL BASIS-3
CASE NUMBER: 08-35653	

CASH RECEIPTS AND DISBURSEMENTS

(amounts in thousands)

	11/1/2010 - 12/31/18
Cash flows from operations:	
Cash contribution to the Trust	\$ 469,381
Cash receipts	588,683
Cash payments for professional fees	(199,784)
Cash payments for claims	(760,117)
Other operating cash payments	(83,907)
Net cash provided by operating activities	\$ 14,256
Increase in cash and cash equivalents	\$ 14,256
Cash and cash equivalents at beginning of period	0
Cash and cash equivalents at end of period	\$ 14,256

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST	ACCRUAL BASIS-5
CASE NUMBER: 08-35653	

The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as all savings and investment accounts, money market accounts, certificates of deposit, government obligations, etc. Accounts with restricted funds should be identified by placing an asterisk next to the account number. Attach additional sheets if necessary.

QUARTER: 10/1/2018 - 12/31/2018

BANK RECONCILIATIONS				
	Account #1	Account #2	Account #3	
A. BANK:	see APPENDIX B			TOTAL
B. ACCOUNT NUMBER:				
C. PURPOSE (TYPE):				
1. BALANCE PER BANK STATEMENT				
2. ADD: TOTAL DEPOSITS NOT CREDITED				
3. SUBTRACT: OUTSTANDING CHECKS				
4. OTHER RECONCILING ITEMS				
5. MONTH END BALANCE PER BOOKS				14,255,788
6. NUMBER OF LAST CHECK WRITTEN				

INVESTMENT ACCOUNTS				
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
7.				
8.				
9.				
10.				
11. TOTAL INVESTMENTS			\$ -	\$ -

CASH	
12. CURRENCY ON HAND	\$ -
13. TOTAL CASH - END OF MONTH	\$ 14,255,788

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST

APPENDIX B

CASE NUMBER: 08-35653

G/L Acct #	Account Name	Bank Acct #	Debtor	Description	Bank Balance	G/L Balance	As of Date	Reconciled as of 12/31/18
101171	Banc of California Investment Reserve CK	11021904	Circuit City Stores, Inc. Liquidating Trust	Disbursement Account	3,453	3,453	12/31/2018	Y
101174	Preferred Bank Disputed Unsecured Claims Reserve CK	4629140	Circuit City Stores, Inc. Liquidating Trust	Disbursement Account	-	-	12/31/2018	Y
101181	Banc of California Investment Reserve SAV	13000385	Circuit City Stores, Inc. Liquidating Trust	Money Market Account	1,250,300	1,250,300	12/31/2018	Y
101182	Banc of California Disputed Unsecured Claims Reserve	12014395	Circuit City Stores, Inc. Liquidating Trust	Money Market Account	2,592	2,592	12/31/2018	Y
101700	Banc of California Payroll Account	11034444	Circuit City Stores, Inc. Liquidating Trust	Disbursement Account	8,894	8,894	12/31/2018	Y
101701	Banc of California Operating Reserve MM	12014858	Circuit City Stores, Inc. Liquidating Trust	Money Market Account	4,961	4,961	12/31/2018	Y
101702	Banc of California Operating Reserve CK	11034451	Circuit City Stores, Inc. Liquidating Trust	Disbursement Account	447,290	82,512	12/31/2018	Y
101703	Banc of California Admin Claims Reserve MM	12014866	Circuit City Stores, Inc. Liquidating Trust	Money Market Account	245,368	245,368	12/31/2018	Y
101704	Banc of California Admin Claims Reserve CK	11034469	Circuit City Stores, Inc. Liquidating Trust	Disbursement Account	34,041	-	12/31/2018	Y
101705	Banc of California Priority Tax Claims Res MM	12014874	Circuit City Stores, Inc. Liquidating Trust	Money Market Account	-	-	12/31/2018	Y
101706	Banc of California Priority Tax Claims Res CK	11034477	Circuit City Stores, Inc. Liquidating Trust	Disbursement Account	-	-	12/31/2018	Y
101707	Banc of California Misc Secured Claims Res MM	12014882	Circuit City Stores, Inc. Liquidating Trust	Money Market Account	-	-	12/31/2018	Y
101708	Banc of California Misc Secured Claims Res CK	11034485	Circuit City Stores, Inc. Liquidating Trust	Disbursement Account	31	31	12/31/2018	Y
101709	Banc of California Non-tax Priority Claims MM	12014890	Circuit City Stores, Inc. Liquidating Trust	Money Market Account	29,470	29,470	12/31/2018	Y
101710	Banc of California Non-tax Priority Claims CK	11034493	Circuit City Stores, Inc. Liquidating Trust	Disbursement Account	150	-	12/31/2018	Y
101711	Banc of California Investment Reserve MM	12014833	Circuit City Stores, Inc. Liquidating Trust	Money Market Account	1,150,352	1,150,352	12/31/2018	Y
101712	Banc of California Disputed Unsec Claims MM	12014908	Circuit City Stores, Inc. Liquidating Trust	Money Market Account	1,398,245	1,398,245	12/31/2018	Y
101713	Banc of California Disputed Unsec Claims CK	11034501	Circuit City Stores, Inc. Liquidating Trust	Disbursement Account	1,740,444	16,486	12/31/2018	Y
101714	Banc of California Richmond Operating CK	11034436	Circuit City Stores, Inc. Liquidating Trust	Disbursement Account	8,620	8,620	12/31/2018	Y
101718	Banc of California Money Market Savings	12015400	Circuit City Stores, Inc. Liquidating Trust	Money Market Account	152	152	12/31/2018	Y
101721	Wilmington Trust Investment Reserve	122828000	Circuit City Stores, Inc. Liquidating Trust	Money Market Account	0	0	12/31/2018	Y
101722	San Diego Private Bank Investment Reserve	418625	Circuit City Stores, Inc. Liquidating Trust	Money Market Account	10,054,351	10,054,351	12/31/2018	Y
					<u>16,378,714</u>	<u>14,255,788</u>		

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST ACCRUAL BASIS-4

CASE NUMBER: 08-35653

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	QUARTER 12/31/2018	QUARTER 9/30/2018	QUARTER 6/30/2018
1. 0-30		12,239	12,239	12,521
2. 31-60		-	-	-
3. 61-90		-	-	-
4. 91+		5,283,160	7,075,660	7,075,660
5. TOTAL ACCOUNTS RECEIVABLE		\$ 5,295,399	\$ 7,087,899	\$ 7,088,182
6. AMOUNT CONSIDERED UNCOLLECTIBLE		652,386	652,386	652,386
7. ACCOUNTS RECEIVABLE (NET)		\$ 4,643,014	\$ 6,435,514	\$ 6,435,796

AGING OF POSTPETITION TAXES AND PAYABLES

QUARTER: 10/1/2018 - 12/31/2018

TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL	\$ -	\$ -	\$ -	\$ -	\$ -
2. STATE	-	-	-	-	-
3. LOCAL	-	-	-	-	-
4. OTHER	-	-	-	-	-
5. TOTAL TAXES PAYABLE	\$ -	\$ -	\$ -	\$ -	\$ -

6. CLAIMS	\$ -	\$ -	\$ -	\$ 585,948,172	\$ 585,948,172
ACCRUED TRUST EXPENSES	\$ 259,759	\$ -	\$ -	\$ -	\$ 259,759

STATUS OF POSTPETITION TAXES

QUARTER: 10/1/2018 - 12/31/2018

	BEGINNING TAX LIABILITY*	AMOUNT WITHHELD AND/ OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
FEDERAL				
1. WITHHOLDING**	\$ -	\$ 261,210	\$ (261,210)	\$ -
2. FICA-EMPLOYEE**	-	32,175	(32,175)	-
3. FICA-EMPLOYER**	-	21,969	(21,969)	-
4. UNEMPLOYMENT	-	-	-	-
5. INCOME	-	-	-	-
6. OTHER (ATTACH LIST)	-	-	-	-
7. TOTAL FEDERAL TAXES	\$ -	\$ 315,354	\$ (315,354)	\$ -
STATE AND LOCAL & OTHER				
8. WITHHOLDING	\$ -	\$ 68,653	\$ (68,653)	\$ -
9. SALES	-	-	-	-
10. EXCISE	-	-	-	-
11. UNEMPLOYMENT	-	-	-	-
12. REAL PROPERTY	-	-	-	-
13. PERSONAL PROPERTY	-	-	-	-
14. OTHER	-	-	-	-
15. TOTAL STATE & LOCAL & OTHER	\$ -	\$ 68,653	\$ (68,653)	\$ -
16. TOTAL TAXES	\$ -	\$ 384,007	\$ (384,007)	\$ -

* The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, the amount should be zero.

** Attach photocopies of IRS Form 6123 or your FTD coupon and payment receipt to verify payment or deposit.

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST	ACCRUAL BASIS-6
CASE NUMBER: 08-35653	

QUARTER: 10/1/2018 - 12/31/2018

PAYMENTS TO INSIDERS AND PROFESSIONALS

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101 (31) (A)-(F) OF THE U.S. BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (e.g. SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.). ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1.			
2.			
3.			
4.			
5.			
6. TOTAL PAYMENTS TO INSIDERS (1)			

PROFESSIONALS						
NAME**	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID	
1. A. Siegel & Associates			197,399	9,015,855	-	
2. Akerman Senterfitt LLP			-	772,458	-	
3. Alston & Bird LLP			-	70,000	-	
4. Arsene Taxand			-	73,230	-	
5. Atkinson-Baker Inc.			-	663	-	
6. BakerHostetler LLP			-	333,084	-	
7. Ballard Spahr LLP			-	18,631	-	
8. Bates White LLC			-	3,684,324	-	
9. BK Value Finders			-	5,391,375	-	
10. Bridging Culture			-	41,328	-	
11. Brutkus Gubner LLP		110,000		8,193,890	-	
12. Charles River Associates		-		1,758,429	-	
13. Coherent Economics LLC		-		3,000,680	-	
14. Compass Lexicon		-		1,498,872	-	
15. Crowe Horwath LLP		-		4,524,043	-	
16. David Grossman		-		636	-	
17. DecisionQuest		-		72,217	-	
18. Eisner Jaffe		-		1,218,339	-	
19. Emergence Financial Corp.		16,718		815,246	-	
20. Ernst & Young LLP		-		1,138,720	-	
21. e-Stat LLC		-		281,776	-	
22. Everlaw Inc.		-		106,730	-	
23. First Legal Network LLC		-		507	-	
24. Foley & Lardner LLP		-		185,535	-	
25. Fontechio Consulting		-		233,058	-	
26. Franklin Giesbrecht		-		5,796	-	
27. FTI Consulting, Inc.		-		188,320	-	
28. Gowlings Lafleur Henderson LLP		-		642,990	-	
29. Grobstein Teiple Financial Advisory Services		63,219		3,626,188	-	
30. Guidance Software, Inc.		-		72,457	-	
31. HD Financial Advisors LLP		-		43,659	-	
32. Hirschler Fletcher		-		370	-	
33. Ian Kravitz		-		5,000	-	
34. Info Tech Inc.		-		2,073,818	-	
35. Irell & Manella LLP		-		189,733	-	
36. Jackson Lewis P.C.		-		28,755	-	
37. Jams, Inc.		-		22,070	-	
38. Jeffer Mangels Butler & Mitchell LLP		-		10,276	-	
39. Jefferies & Co., Inc.		-		1,377,420	-	
40. JND eDiscovery LLC		-		62,068	-	
41. Kelley Dye & Warren LLP		-		7,015,065	-	
42. Krany Nachwalter, P.A.		-		27,337	-	
43. Keymark, Inc.		-		48,853	-	
44. Klee, Tuchin, Bogdanoff & Stern LLP		170,099		12,807,019	-	
45. KPMG LLP		-		44,070	-	
46. Kurtzman Carson Consultants LLC		-		3,465,146	-	
47. Legal Economics LLC		-		91,408	-	
48. Legalink Inc.		-		862	-	
49. Legal Media		-		5,605	-	
50. Lobel Weiland Golden Friedman LLP		-		220,852	-	
51. McDermott Will & Emery LLP		-		150,353	-	
52. McGladrey LLP		-		367,317	-	
53. McGuire Woods LLP		-		264,368	-	
54. Nathan Associates Inc.		-		7,407	-	
55. Naviant Consulting		-		14,992	-	
56. Northern District of California		-		69,000	-	
57. OLD Settlement Fund		-		200,000	-	
58. Pachulski, Stang, Ziehl & Jones		365,000		41,159,327	-	
59. Pearson, Simon, Warsaw & Penny, LLP		-		47,548	-	
60. PricewaterhouseCoopers LLP		16,664		655,252	-	
61. Process General		17,703		854,993	-	
62. Province		207,942		17,418,331	85,000	
63. Provia		-		145,996	-	
64. Quinn Emanuel Urquhart & Sullivan, LLP		-		985,430	-	
65. Resolutions LLC		-		14,015	-	
66. Ridberg Aronson LLC		-		10,331	-	
67. Shumaker, Loop & Kendrick LLP		-		10,210	-	
68. Skadden, Arps, Slate, Meagher & Flom, LLP		-		1,599,015	-	
69. Solution Trust		279,250		7,940,630	63,242	
70. Stan Teple		-		21,613	-	
71. Stewart McKelvey		-		255	-	
72. Sullivan & Worcester LLP		-		55,813	-	
73. Suman Godfrey LLP		-		46,838,549	-	
74. Tavenner & Beran, PLC		73,329		5,217,807	10,000	
75. US Bankruptcy Trustee		65,664		1,213,800	101,517	
76. US Legal Support		-		4,694	-	
77. Vantage Intelligence LLC		-		2,951	-	
78. WilmerHale		-		4,581	-	
79. Yulichon, Attorneys at Law		-		4,576	-	
TOTAL PAYMENTS TO PROFESSIONALS		1,582,985		199,783,917	259,759	

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

** REVISED TO INCLUDE ADDITIONAL PROFESSIONALS

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR		SCHEDULED	AMOUNTS	TOTAL
		QUARTERLY	PAID	UNPAID
		PAYMENTS DUE	DURING QUARTER	POSTPETITION (2)
1. Leases		\$ 18,308	18,308	
2.				
3.				
4.				
5.				
6. TOTAL		\$ 18,308	18,308	

(1) Other than salary, fees and benefit payments made in the ordinary course of business, reimbursements for business expenses and distributions on valid, allowed claims, no payments have been made to insiders during the reporting period.

(2) The post-petition amounts due under rejected store leases are included in claims on the balance sheet.

CASE NAME: CIRCUIT CITY STORES, INC. LIQUIDATING TRUST	ACCRUAL BASIS-7
CASE NUMBER: 08-35653	

QUARTER: 10/1/2018 - 12/31/2018

QUESTIONNAIRE

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?	X	
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?		X
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?	X	
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		X
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		X
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		X
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		X
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?	X	
12. ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

- As of 11/1/2010, the liquidating plan of the debtors became effective. As such, the bank accounts are no longer DIP accounts.
- Pursuant to Court orders and settlement agreements, payments have been made on prepetition liabilities during the quarter ended 12/31/18.

- Certain property taxes that covered both prepetition and postpetition periods were paid during the quarter ended 12/31/18.

INSURANCE

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3. PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS			
TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
Workers' Compensation & Employer's Liability	ACE American Insurance Company	4/1/18 - 4/1/19	\$4,945 paid in two installments
General Liability and Non-owned Auto Liability	First Specialty Insurance Corporation	4/1/18 - 4/1/19	\$25,569 paid at inception
Excess Liability	RSUI Indemnity Company	4/1/18 - 4/1/19	\$29,000 paid at inception
Crime/Fidelity	Starr Indemnity and Liability Company	12/1/18 - 12/31/19	\$25,564 paid at inception
D&O Liability/Errors & Omissions	Westchester Surplus Lines Insurance	11/1/18-12/31/19	\$95,368 paid at inception
D&O Liability/Errors & Omissions	XL Capital Group	11/1/18-12/31/19	\$17,202 paid at inception
D&O Liability/Errors & Omissions	Westchester Fire Insurance Company	11/1/18-12/31/19	\$16,819 paid at inception
Property - All Risk	Sentinel Insurance Co., Ltd.	8/15/18 - 8/15/19	\$1,116 paid at inception